



Chapter

5

Employer's Annual Report of Earnings

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EMPLOYER RESPONSIBILITIES

One of the most important responsibilities you have as an employer is to report the earnings of each KTRS member. The Employer's Annual Report of Earnings provides the information necessary to establish and record earned service credit, salary rates, creditable earnings, and contributions for members. The integrity of each member's retirement record depends upon the accuracy of this report. The report also provides the information necessary to prepare the Statement of Retirement Account.

Over 200 school districts and other educational agencies employ KTRS members. These employers have significant responsibilities for providing information and contributions to the System.

Employers provide a vital link between members and the System. They forward member and employer contributions, report teacher earnings and service, and disseminate information to the System and employees. Information provided by employers determines members' current retirement contributions and thus, their future retirement benefits.

In compliance with KTRS requirements, every KTRS employer is required to file an annual report (KRS 161.560). The purpose of the Annual Report is to achieve these main goals:

- The total monies submitted throughout the year agree with contributions reported on the Annual Report;
- Current service credit awarded to members is accurate;
- The information on the Annual Report agrees with various applications submitted during the fiscal year;
- Membership applications have been received for each contributing member; and
- Member's names and addresses are up-to-date.

ANNUAL REPORT FORMS

The year-end Annual Report forms must include the name, social security number, number of days worked, total KTRS contributions, and other information such as contract days, contract salary, and matched contributions. The necessary forms and instructions for completing the Employer's Annual Report of Earnings are mailed in June to each KTRS employer. All reports must be returned to KTRS. If no one is reported on a form, please write "None" on the form and return. The following forms are an integral part of the Annual Report and must be completed to comply with KTRS regulations:

Annual Report Reconciliation Sheet (Form R-2)

The Annual Report Reconciliation Sheet serves to reconcile member and employer contributions with the total amounts transmitted by the reporting unit during the fiscal year on R-1s (Employer's Remittance Report see Chapter 4). Contributions sent during the fiscal year must balance with the amounts on the district/agency's Annual Report. The district superintendent/Agency Head must certify the accuracy and completeness of the Employer's Annual Report of Earnings.

Missing Data Report (If Applicable)

This report lists individuals who do not have current names, addresses, or membership applications on file. Employers are asked to provide KTRS with the necessary information to ensure that members receive annual statements.

Refunds/New Retirees for the Fiscal Year (If Applicable)

This report lists accounts of members who were refunded or who retired during the fiscal year. The employer is asked to review these accounts and verify that the amounts on this report agree with the annual report.

Retiree Employment Report (Form 30)

This report shows employees of your agency who are also retired members of KTRS who are working under the 100-day program. It does not matter whether the retiree occupies a position covered by KTRS, CERS, or KERS. This report should also include each retiree's date of employment. Please do not report retired members in the full-time, part-time or critical shortage return to work programs.

Escrow and Matching Report through May 31

This report shows all amounts received during the fiscal year from KTRS employers. It should be used when completing the reconciliation to determine if money is due or is refundable.

Acknowledgement Report (Form R-6)

This form is used to notify KTRS that the employing unit received the annual report package. Please sign and return the acknowledgement receipt to KTRS as soon as the Annual Report package is received. You may e-mail the responsible KTRS party identified on the cover letter in lieu of mailing the Form R-6.

Computer-Generated Disk/KY Transfer

In addition to the forms listed above, you must also submit the annual report via KY transfer or mail a computer disk with a detail record for all KTRS members working in a KTRS position. (Please see the Input Record Layout at the end of this Chapter) If an employer wishes to send the information electronically, he/she should contact the KTRS Information Technology Section at 502-848-8580.

DEADLINE FOR SUBMISSION OF DATA

Instructions are included to assist the reporting unit in preparing the forms properly. If you have any problems or questions please contact KTRS immediately. The employer must complete the Annual Report and return it to KTRS by the date indicated on the cover letter. **Legislation allows KTRS to penalize employers up to \$1,000 if the annual report is not promptly submitted in accordance with KTRS requirements.**

INFORMATION FIELDS ON THE COMPUTER-GENERATED DISK

The information on the computer-generated disk should include only earnings for the current fiscal year. Any corrections that are necessary after you have filed the annual report can be made by filing a letter with KTRS stating the reason(s) for the correction along with documentation of the correct record. (See Employer's Prior Year Adjustments to Earnings section.)

The fields to complete on the computer-generated disk are:

- 1. Social Security Number**

The social security number of each member who had KTRS earnings for the current fiscal year must be reported.

2. Duplicate Record Code

This must be completed for each record. Many members will have more than one record and a separate code must be entered for each record. Do not include "days paid" information in "2" or "3" records. The codes are:

(Leave Blank) = Full-time

- Employed in a KTRS-covered position
- Employed for five days per week for 7.5 hours (Monday through Friday)
- Has an employment agreement to work a specified period of time
- Has an established annual salary rate

0 or 1 = Can be used to report days paid information for employees paid at multiple pay rates

- Employed in a KTRS-covered position

P = Part-time contractual

- Employed in a KTRS-covered position
- Employed less than full time
- Has an employment agreement to work a specified period of time
- Has an established annual salary rate

H = Part-time noncontractual (hourly or daily)

- Employed in a KTRS-covered position
- Paid on an hourly or daily basis
- Doesn't have an established annual salary rate (e.g., homebound teacher or tutor)

S= Substitute

- Employed in a substitute position
- Employed as temporary replacement of another teacher, regardless of the length of employment or rate of pay

2-6 = Extra Duties

- Extra duties should always be in a separate record
- No days worked should be associated with extra duties
- Doesn't have an established annual salary rate

7 = Comp and Annual Leave Payments

8 = Sick Leave Payments

3. Retirement Contributions

Please complete this field for all members with current year earnings. The amount indicated in this field is equal to 9.855 percent of the retirement earnings. IRS regulations require this amount is excluded from federal and state taxable income of the member.

4. Total number of days paid

Please complete the number of days worked for each member.

Employees working on part-time and hourly time periods must be converted to equivalent full days. For example, divide the number of hours worked by 7.5 hours to determine the percentage employed. Then multiply the number of days worked by the percentage employed.

If a member works 5 hours a day for 185 days then he/she has worked an equivalent of 123.95 full days. ($5/7.5 = .67 \times 185 = 123.95$ days).

Report the total number of days, Monday through Friday, during the school term or employment agreement, if longer, for which the member performed duties requiring

certification. Do not include days paid outside the normal employment contract such as:

- Unpaid snow days
- Days during which only extra duties not requiring certification were performed
- Unpaid holidays and vacations
- Saturdays, unless the day qualifies as a day of service and the service was required due to a lawful day of attendance
- Days paid by lump sum but not worked, such as accumulated vacation and sick days or contract buy-outs
- Paid leaves of absence

Remember, credit is granted for each day or partial day worked. Please convert partial days to full day equivalents as described above.

5. **Contract Days**

The contract days are the total number of days in an employment contract. A minimum of 185 days must be reported in this field. If someone starts after the beginning of their contract or leaves before the end of their contract, 185 days must be reported in this field.

6. **Contract Salary**

Please complete for all members:

For full time employment (Leave Blank):

The contract salary should reflect what would have been earned if the member worked their normal schedule, (with no dock days), for the entire school term.

For part-time contractual employment (type P):

The contract salary must be converted to an equivalent full-time salary.

For hourly noncontractual employment and substitutes (types H and S):

The contract salary for noncontractual types should be the daily dock rate times the required contract days, which normally is 185 days. The contract salary should be equivalent to a full contract year.

7. **Matching Contributions**

For local school districts, this field must be completed for members who are paid from federal funds. The amount indicated in this column is equal to 12.305 percent of federal salary paid in FY 2002-2003 and 2003-2004. Effective July 1, 2004 the matching rate for school districts increases to 13.105 percent for members paid from federal funds. State and non-state agencies are responsible for matching the full salary paid to KTRS members. The rate state and non-state agencies pay is 13.105%.

8. **Matching Salary**

For local school districts, this is the amount of salary actually paid from federal funds. State and non-state agencies match the full salary paid. State and non-state agencies should report the full amount of salary a member earned. Matching salary may **not** be greater than a member's contract salary.

9. **Extra Duties**

Extra Duties should always be reported in an extra record. These should be indicated

with a payment type of "2-6". Employers should report zero days paid and zero contract days associated with extra duties. The contract salary field should be the amount paid for extra duties to the member. For assistance in computing any of these fields please contact KTRS at (888) 891-2696.

AUDITING THE EMPLOYER'S ANNUAL REPORT OF EARNINGS

After the reporting unit returns the Annual Report package, the KTRS Department of Information Technology verifies the Annual Report information. Exception reports are produced that are compared to the Annual Report to ensure that district totals agree. The Annual Report is also compared to current year contributions listed on refund and retirement applications. KTRS staff research, explain, and resolve differences so that the Annual Report or refund and retirement applications can be corrected. Communication between KTRS and employers is essential. It is greatly appreciated that you respond in a timely manner. Changes will not be made to the report without the employer's consent.

EMPLOYER'S RESPONSIBILITIES

It is very important that employers do not send sensitive member information through e-mail. In order to protect vital member information, KTRS encourages employers to utilize a secure method of transmitting information via email. Accordingly, it is KTRS policy to not send sensitive member information through email unless a secured connection is achieved.

KTRS has established September 1 as the completion date for the annual report process. When the Annual Report has been balanced, KTRS prepares the reporting unit's final report package, including one copy of the balanced Annual Report and the Employer's Annual Contributions Reconciliation Report (Form R-5). The Form R-5 provides information reflecting adjustments made to the reporting unit's original Annual Report and remittances received after submission of the Annual Report. Employers are urged to review each report extensively. The school district's superintendent or an authorized agency representative must sign the Form R-5 to acknowledge that adjustments were made with the reporting unit's knowledge and cooperation.

Approximately two weeks after the annual report process has been completed, KTRS will send a Statement of Retirement Account to each member who has a correct address on file with KTRS. Corrections to the Annual Report received after September 1 will be reflected on the member's statement for the following year.

EMPLOYER'S PRIOR YEAR ADJUSTMENTS TO EARNINGS

If corrections are necessary after posting members contributions, please complete the Prior Year Adjustments to Earnings form. In addition, this form must also be used to correct past years. Retain a copy of the completed form for district records. Return the original to the KTRS. KTRS will review and notify the employer if contributions are due or refundable.

Questions

If you have any questions about any of the forms or reports discussed in Chapter 5, please contact the Accounting Department at (888) 891-2696.

ANNUAL REPORT EXAMPLES

FULL-TIME TEACHER

If the teacher was full-time but was employed for less than the entire school term or was docked, total number of days paid should reflect only the actual time worked. The Contract Salary should reflect the amount the teacher would have earned had he or she worked the entire term. Any extra duties should be reported in a second record.

Teachers employed for the school term are frequently paid over 12 months. When a nine-month teacher has his or her salary paid over a period longer than the school term, you must report salary earned during the school term rather than salary paid. When the teacher's employment agreement is longer than the school term, the salary rate reported must reflect the rate for the fiscal year beginning July 1 and ending June 30.

EXAMPLE 1: FULL-TIME TEACHER – EMPLOYED ON A FULL-TIME BASIS

Teacher A worked full time in a 185-day position for an annual salary of \$40,000. Teacher A worked every day in the contract. Teacher A also was the girls' basketball coach earning \$3,000 as an extra duty.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher A		3942.07	185	185	40000	216.22		
000-00-0000	Teacher A	2	295.65			3000			

EXAMPLE 2: FULL-TIME TEACHER - EMPLOYED PARTIAL YEAR WITH EXTRA DUTIES

Teacher B worked full-time in a 185-day position for only 89 days. Her annual salary was \$40,000 with a daily rate of \$216.22. Teacher B was also the girls' basketball coach. The annual coaching stipend was \$3,000, of which she earned \$1,500.

Annual salary rate:

Base rate \$ 40,000.00
Basketball coach 3,000.00

Creditable earnings:

Base earnings: $\$40,000 \div 185 \times 89 = \$19,243.58$
Basketball coach 1,500.00
Total earnings \$20,743.58

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher B		1896.45	89	185	40000	216.22		
000-00-0000	Teacher B	2	147.82			1500			

Example 3: Full-time teacher - paid over 12 months

Teacher C contracted to teach a 185-day position. She actually earned her \$40,000 salary during the 185-day position but was paid on a 12-month basis. Since the annual report covers the fiscal year from July 1 through June 30, the annual report must indicate the total amount earned by June 30, even if salary payments for that term extend through August of the next school year. Note: Contributions are due in KTRS by July 15th even if Teacher C is paid after the fiscal year ends.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher C		3942.07	185	185	40000	216.22		

Example 4: Full-time teacher - federal funds

One-half of Teacher D's creditable earnings were paid from federal funds. Total earnings, including the federal funds for this teacher, were \$40,000. Report \$20,000 in matching salary. The current matching contribution rate is 12.305%. (This rate increases to 13.105% on July 1, 2004.)

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher D		3942.07	185	185	40000	216.22	2461.00	20000

Example 5: Full-time teacher - administrator with 12-month contract

Administrator E's contract runs September through August. His contract rate for the current year ending August 31 was \$60,000. For the year ending the following August 31, his contract rate was \$62,000. His salary rate and creditable earnings for the current school year are computed as follows:

$\$60,000 / 12 = \$5,000/\text{month} \times 2 \text{ (July and August)} = \$10,000$

$\$62,000 / 12 = \$5,166.67/\text{month} \times 10 \text{ (September thru June)} = \$51,666.70$

Total earnings for fiscal year = \$61,666.70

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher E		6077.25	260	260	61666.70	237.18		

Example 6: Full-time teacher - administrator with 11-month contract

Administrator F had an 11-month employment agreement. His contract period was for the 220-day period from August 1 through June 30; however, he was paid over the 12-month period August 1 through July 31. His contract rate was \$55,000 beginning August 1 and ending June 30. Although the cash paid during the period beginning July 1 and ending June 30 was less than \$55,000, the amount reported must indicate the total amount **earned** during the fiscal year. Annual salary rate and creditable earnings: \$55,000.00

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher F		5420.25	220	220	55000	250.00		

Example 7: Full-time teacher starting late

Teacher G's employment begins after the start of the school year. The most days available to Teacher G to work are 179 with earnings of \$22,128. The contract salary for this position would normally be \$22,870 if the member had worked the entire year. Teacher G is also paid an additional \$2,300 for extra duties.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher G		2180.71	179	185	22870	123.62		
000-00-0000	Teacher G	2	226.67			2300			

Example 8: Full-time teacher working an additional federal program

Teacher H is employed in a 185-day position earning \$40,000. Teacher H also works an additional Federal program earning \$2,300.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher H		3942.07	185	185	40000	216.22		
000-00-0000	Teacher H	2	226.67			2300		283.02	2300

Example 9: Full-time teacher who is promoted during the year

Teacher I is employed in a 185-day position that is 50% federally funded. On December 6 she is transferred to a 12-month position for the remainder of the school year. The 185-day position has a contract salary of \$40,000 while the 12-month position has a contract salary of \$60,000. Note: Extra pay rate is reported with a "0" DRC to post service credit with this record.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher I		1662.06	78	185	40000	216.22	1037.63	8432.58
000-00-0000	Teacher I	0	3449.25	140	240	60000	250.00		

PART-TIME CONTRACTUAL TEACHER

If the part-time contractual (P) teacher was employed for the entire school term or employment agreement, (if longer), and was not docked for any time during the period, the annual salary rate will be equivalent to a full time position.

The number of days reported in the contract days field should reflect the number of days in your school term or employment agreement, (if longer), even if the teacher is employed to work fewer than five days per week. A minimum of 185 days should be reported. If the employee occupied an administrative position, then the contract days should equal the number of days a person would have worked on a full-time basis.

Complete the Days Worked field by counting every day worked by the employee(Monday through Friday) using the school calendar. Determine the fraction of a day the member worked and convert that to equivalent whole days .

HOW TO CONVERT PART-TIME EMPLOYMENT TO EQUIVALENT FULL DAYS

If the person works a **standard fixed schedule** use the following formula.

Number of hours worked per day / 7.5 (hours in a full day) x number of days worked = equivalent full days

Jane Doe worked 5 hours per day, 3 days per week for 20 weeks

$5 / 7.5 \times 60 \text{ days worked (3 days x 20 weeks)} = 40 \text{ equivalent full days}$

or

$5 \text{ hrs} \times 3 \text{ days} \times 20 \text{ weeks} = 300 \text{ hrs} / 7.5 \text{ per day} = 40 \text{ full days}$

If the person works a **random schedule**, use the following formula:

(Number of total hours worked / 1387.5 hours per year) x 185 = equivalent full days

Jane Doe worked 5 hours per day for 10 weeks and 3 hours per day for 5 weeks

$325 \text{ total hours (5 hrs x (5days x 10 weeks) + 3hrs x (5days x 5 weeks))}$

$325 / 1387.5 = .2342 \times 185 = 43.33 \text{ equivalent full days}$

or

$[(5 \text{ hrs} \times 5 \text{ days} \times 10 \text{ weeks}) + (3 \text{ hrs} \times 5 \text{ days} \times 5 \text{ weeks})] / 7.5 \text{ per day} = 43.33 \text{ full days}$

Example 10: Part-time contractual teacher - four clock hours daily

Teacher J worked all year on a reduced schedule that consisted of 4 hours daily out of a required 7.5 hours. The salary schedule rate for a full-time teacher was \$40,000; thus, she was paid \$21,333.33 ($\$40,000 \times 4 \div 7.5$).

There were 185 paid days in the school term.

Convert standard fixed schedule to equivalent full days

Equivalent full days worked = $(4/7.5) \times 185 = 98.67$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher J	P	2102.40	98.67	185	40000	216.22		

Example 11: Part-time contractual teacher - three days per week

Teacher K was employed 3 full days per week for the entire school term in a position that would pay \$40,000 on a regular full-time basis. The teacher actually earned \$24,000 (3/5) for the year of part-time employment. No earnings were docked. There were 185 days in the school term. Based upon a review of the calendar, Teacher K worked 111 full days.

Convert standard fixed schedule to equivalent full days

Equivalent full days worked = $3/5 \times 185 = 111$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher K	P	2365.20	111	185	40000	216.22		

Example 12: Part-time contractual teacher - partial year

Teacher L was employed 2 hours per day. He was unable to complete the year and left after 100 days. His full time salary would have been \$40,000.00. His actual creditable earnings were \$5,766.49. He was employed 5 days per week, 2 hours per day of a 7.5-hour workday or 26.67% (2/7.5).

Convert standard fixed schedule to equivalent full days

Equivalent full days worked = $(2/7.5) \times 100 = 26.67$

Contract Salary = $\$40,000/185 = 216.22 \times (2/7.5) = 57.66$ per day $\times 100 = \$5766.49$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher L	P	568.29	26.67	185	40000	216.22		

Example 13: Part-time contractual with extra earnings

Teacher M works 3.5 days per week for 37 weeks ($3.5/5 = 70\%$). The teacher earns \$16,009 plus additional earnings of \$500. All pay is federally funded.

Convert standard fixed schedule to equivalent full days

Equivalent full days worked = $3.5/5 \times 185$ days = 129.5

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher M	P	1577.69	129.50	185	22870	123.62	1969.91	16009
000-00-0000	Teacher M	2	49.28			500		61.53	500

PART-TIME NONCONTRACTUAL TEACHER

Tutors and homebound teachers are common examples of members who should be reported as employment type H. Part-time noncontractual members are reportable only during the regular school term. Summer earnings are not reportable. The only duties reportable for the part-time noncontractual member are those duties that, by law, require certification. The number of days in the employment agreement should reflect the number of days in the employer's school term. The total number of days paid includes every day, Monday through Friday, during which certified duties are performed. When reporting the total number of days paid, it is imperative that partial days be converted to full-day equivalents. For example, if a homebound teacher worked four half days, the total number of days paid reported is two.

Example 14: Part-time noncontractual - homebound teacher

Teacher N is a homebound teacher who taught, as needed, 10 full days and 30 half days during the school term. She earned \$3,200.

Days worked = $10 + (30 / 2) = 25$

Contract Salary = $\$3200 / 25 = \$128 \times 185 = \$23680$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher N	H	315.36	25	185	23680	128		

Example 15: Part-time noncontractual - extended school

Teacher O worked in the district's extended school program. Since Teacher O was employed in a certified position, KTRS contributions were withheld. Teacher O worked 1.5 hours a day, 3 days a week for 5 weeks. Teacher O was paid at a daily rate of \$150.

Days Paid = $1.5 \times 3 \times 5 = 22.5 / 7.5 = 3$

Contributions = $9.855 \times 3 \times 150 = \44.35

CT salary = $185 \times 150 = 27,750$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher O	H	44.35	3	185	27750	150		

SUBSTITUTE TEACHER

Report as employment type S (substitute) a teacher who is employed as a temporary replacement for a regular teacher, regardless of the length of employment or rate of pay. If the teacher receives two rates of pay, then two records are necessary to report the different pay types. The only duties reportable for the substitute are those duties that, by law, require certification.

The number of days in the employment agreement should reflect the number of days in your school term. The total number of days paid includes every day, Monday through Friday, during which certified duties are performed. When reporting the total number of days paid, you must convert partial days into full-day equivalents. For example, if a substitute teacher worked two half days, the total number of days paid reported is one.

Example 16: Substitute teacher - full days

Teacher P substituted on an on-call basis for 18 full days during the school term. The district's substitute rate was \$65 per day. Teacher P was paid \$1,170.

Contract salary = \$65 x 185 = \$12025

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher P	S	115.30	18	185	12025	65		

Example 17: Substitute teacher - partial days

Teacher Q substituted 8 full days and 6 half days. His daily rate of pay is \$65 per day. He earned \$715.

Days Worked = 8 + (6/2) = 11 days

Contract Salary = \$65 x 185 = \$12025

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher Q	S	70.46	11	185	12025	65		

Example 18: Substitute teacher – earnings

Teacher R works as a teacher's aide. He is paid \$70 per day. For one day, he was reassigned to a full day of substitute teaching for which he received an extra \$20. The total he received for the substitute teaching was \$90 (\$70 + \$20).

Contract Salary = \$90 x 185 = \$16650

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher R	S	8.87	1	185	16650	90		

Example 19: Substitute teacher - paid at two different rates and noncertified duties

Teacher S worked as a substitute teacher while another teacher was on a leave of absence. District 100 pays its long-term substitutes \$60 per day for the first 20 days and \$115 per day thereafter. Teacher S worked 50 full days and was paid a total of \$4,650. Teacher S was also the class sponsor for which he was paid \$300.

Contract Salary = \$60 x 185 = \$11100

Contract salary = \$115 x 185 = \$21275

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher S	S	118.26	20	185	11100	60		
000-00-0000	Teacher S	0	340.00	30	185	21275	115.00		

Since class sponsorship does not require a teaching certificate and a substitute is not under contract, only Teacher S's earnings as a substitute teacher are reportable to KTRS. The class sponsorship earnings are not reportable.

Example 20: Substitute teacher - paid full-time rate

Teacher T substituted the entire second semester for a teacher who was on maternity leave. Teacher T was paid at the salary schedule rate of \$25,000. The school term was 185 days of which she worked 88 and was paid \$11,892.32.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher T	S	1171.99	88	185	25000	135.14		

EXTRA DUTY REPORTING

Full-time and part-time contractual (P):

Extra duties that involve teaching or supervising students and other assignments related to the academic program are reportable as salary for full-time and part-time contractual teachers. If the extra duty is performed on a contractual basis, a second record is used to record this, if the member did not complete the entire contract.

Substitute (S) and part-time noncontractual (H):

Extra duties performed by substitutes or part-time noncontractual teachers are **not reportable** unless the extra duty requires certification by law. Extra duties that require certification are reportable regardless of employment status (e.g., ESS, homebound teacher). (For more information about extra duty reporting, see Chapter 3, Annual Compensation.)

Extra duties not requiring certification

Earnings for an individual who is not employed as a regular teacher but who performs extra duties that do not require certification is reportable **only** if the individual is employed as a full-time or part-time contractual teacher by another KTRS-covered employer.

Extra duties requiring certification

A teacher who performs extra duties that require certification and who is not employed as a regular teacher is reported as full-time (F), part-time contractual (P) or part-time noncontractual (H), depending upon the employment agreement and work schedule. For Example, Teacher A was employed in District 100 as assistant band director and worked two hours daily. District 100 would report him as employment type P (part-time contractual). **The Kentucky State Board of Education, not the individual employer, determines whether a position** or extra duty requires certification. (See Chapter 3, Annual Compensation, for a listing of extra duties).

Example 21: Extra duty - full-time teacher

Teacher U worked all term at a salary of \$40,000. He also received \$200 for working at speech contests. There are 185 days in the school term.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher U		3942.00	185	185	40000	216.22		
000-00-0000	Teacher U	2	19.71			200			

Example 22: Extra duty - part-time contractual teacher

Teacher Q was employed 2 hours per day for the entire school term. A normal school day is equal to 7.5 hours. The school term was 185 days. She earned \$9,666.67. She also earned \$1,500 for coaching.

Days Worked = $2 / 7.5 = .2667 \times 185 = 49.33$

Contract Salary = $\$9,666.67 / .2667 = \36245.48

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher Q	P	952.65	49.33	185	36245.48	195.92		
000-00-0000	Teacher Q	2	147.82			1500			

Example 23: Extra duty - substitute teacher

Teacher R worked 50 full days as a substitute teacher and was paid \$3,000. At the same school district, he also coached football and track and was paid \$2,250. In addition, Teacher R was paid \$75 for lunchroom supervision.

Contract Salary = $\$3000 / 50 = \60 per day $\times 185 = \$11,100$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher R	S	295.65	50	185	11100	65		

Since coaching and lunchroom supervision do not require a teaching certificate, only Teacher R's earnings as a substitute teacher are reportable to KTRS. The coaching and lunchroom supervision earnings are not reportable.

Example 24: Extra-duty - part-time noncontractual teacher

Teacher S was a homebound teacher on an “as needed” basis. Teacher S worked 2 hours per day for 37 days and was paid \$740. A normal day consisted of 7.5 hours. He also performed study hall supervision on those same days and was paid \$250.

Since study hall supervision does not require teacher certification and he is a part-time noncontractual teacher (H), only Teacher S's homebound earnings are reportable to KTRS. The study hall supervision earnings are not reportable.

Days Worked = $2 / 7.5 = .2667 \times 37$ days worked = 9.87 equivalent full days

Contract Salary = 37 days worked \times 2 hours per day = 74 hours worked

$\$740 / 74$ hours worked = \$10 per hour

185×7.5 hours per day = 1387.50 hours total

$1387.5 \times \$10 = \13875 contract Salary

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher S	H	72.93	9.87	185	13875	75		

Example 25: Extra duty - coach in different district

Teacher T was employed full-time (F) at District 100. He was also employed as a football coach in District 200. His contract stated he would be paid \$2,500 to coach the 4-month season. Teacher T resigned from his coaching position after 2 months and earned \$1,250. Report days paid as zero for type 2 employments. District 200 should report the following:

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher T	2	123.19			1250			

DOCKED DAYS

Reduce days paid for days docked at full pay. If a member (either full-time [leave blank] or part-time contractual [P]) is docked, do not reduce the contract salary rate reported. The contract salary rate should be the amount earned assuming he or she worked the entire school term or the length of his or her employment agreement, whichever is greater, with no time docked.

Example 26: Docked days - full-time teacher

Teacher U was full-time (F) with an annual salary rate of \$40,000. The school term was 185 days. She was docked for 15 days, and \$3,243.24 ($\$40,000 \div 185 \times 15$) was deducted from her pay. She was also the class sponsor and was paid an extra \$300.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher U		3622.38	170	185	40000	216.22		
000-00-0000	Teacher U	2	29.57			300			

Example 27: Docked days - part-time contractual teacher

Teacher V was part-time contractual (P) for the entire school term with an annual salary rate of \$24,000. Her contract required her to work 3 full days per week, 111 days in the school term.

She was docked for eight days, and \$1,729.68 was deducted from her pay.

Days paid: $111 - 8 = 103$

Per Diem: $\$24,000 \div 111 = \216.21

Contract Salary = $\$216.21 \times 185 = \$40,000$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher V	P	2194.67	103	185	40000	216.21		

MULTIPLE EMPLOYERS

Active or retired teachers need to have contributions deducted on all of their employment. If an employee is full-time in one district and does either extra duties or non-contractual work at another district, then contributions should be withheld on all employment at both districts.

Example 28: Multiple employer - part-time contractual

Teacher X was employed for 4 hours per day, 5 days per week in District 100 and 3 ½ hours per day, 5 days per week in District 200. Because 2 employers employed Teacher X on a part time basis under contract, they each should report the member as part-time contractual (P). Teacher X's salary in District 100 was \$15,000 and his salary in District 200 was \$10,000.

District 100 Employer's Annual Report of Earnings:

Days Worked = $4 / 7.5 = .5333 \times 185 = 98.67$

Contract Salary = $15,000 / .5333 = 28126.75$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher X	P	1478.26	98.67	185	28126.75	152.04		

District 200 Employer's Annual Report of Earnings:

Days Worked = $3.5 / 7.5 = .4667 \times 185 = 86.3$

Contract Salary = $10,000 / .4667 = 21427$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher X	P	985.50	86.3	185	21427	115.82		

Example 29: Multiple employers - full-time teacher and coach

Teacher Z was employed full-time at District 100 and coached golf in District 200. He received \$31,000 from District 100 and \$2,500 from District 200.

District 100 Employer's Annual Report of Earnings:

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher Z		3055.05	185	185	31000	167.57		

District 200 Employer's Annual Report of Earnings:

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher Z	2	246.38			2500			

Example 30: Multiple employer – substitute

Teacher A worked as a substitute for District 100 and District 200. At District 100, she worked 10 full days and 5 half days. District 100 paid her a total of \$812.50. At District 200, she worked 12 full days and 2 half days for which she was paid \$910.

District 100 Employer's Annual Report of Earnings:

Days Worked = $10 + (5/2) = 12.5$

Contract Salary = $\$812.50 / 12.5 = \$65 \times 185 = \$12025$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher A	S	80.07	12.5	185	12025	65		

District 200 Employer's Annual Report of Earnings:

Days Worked = $12 + (2/2) = 13$

Contract Salary = $\$910 / 13 = \$70.00 \times 185 = \$12950$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher A	S	89.68	13	185	12950	70		

MULTIPLE EMPLOYMENTS WITH SAME EMPLOYER

This pertains to an employee who starts the school in one position and finishes it in another position with a different salary and number of contract days. The actual salary earned and days worked in each position should be reported separately on the annual report.

Example 31: Multiple employments – part-time to full-time employment

Teacher B began the year as a part-time contractual employee. She worked 3 days per week and her annual salary rate was \$14,000. The school term was 185 days. After school was in session for 60 days, she became full time. Her annual salary rate was \$25,000 for her full-time position. She earned \$4,540.54 as a part-time teacher and \$16,892.50 for the 125 days she was a full-time teacher.

Total days paid: Creditable earnings:

Part-time Position = $3 / 5 = .60$ employed $60 \times .60 = 36$ days worked = $\$4,540.54 / 36$
= \$126.13 per day

Full-time Position = 125 days @ 135.14 per day = \$16,892.50

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher B	P	447.47	36	185	23333.33	126.13		
000-00-0000	Teacher B		1664.76	125	185	25000	135.14		

Example 32: Multiple employment - substitute to full-time

Teacher C began the year as a substitute teacher. She worked 10 days as a substitute teacher and was paid \$75 per day. The district created an additional full-time teaching position beginning the second semester, which Teacher C accepted. Her full-time annual salary was \$23,125. The school term was 185 days. Teacher C worked 92 days and was paid \$11,500 for the second semester. She also earned \$240 for lunchroom supervision during the second semester.

Creditable earnings:

10 substitute days x \$75 = \$ 750.00
 Contract Salary for substitute position = $\$75 \times 185 = \$13,875$
 92 full-time days x \$125.00 = \$ 11,500.00
 Base earnings \$ 12,250.00
 Lunchroom supervision \$240.00
 \$12,490.00

Ex. 32 Employer's Annual Report of Earnings:

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher C	S	73.91	10	185	13875	75		
000-00-0000	Teacher C		1133.33	92	185	23125	125		
000-00-0000	Teacher C	2	23.65			240			

Example 33: Multiple employments - partial-year employment

Teacher D, a part-time contractual teacher, worked 2 days per week, 3 hours per day, the first 4 weeks of the second semester. For the remaining 72 days, Teacher D worked 5 days per week, 3 hours per day. The semester was 92 days and the school term 185 days.

Days Worked First Position: $3/7.5 = .40$ employed $\times 8$ days (2 days per week $\times 4$ weeks) = 3.2 full days

Days Worked Second Position: $3/7.5 = .40$ employed $\times 72$ days = 28.8 full days

Equivalent Full Days Worked = $28.8 + 3.2 = 32$ days

Her earnings were \$5,596; she also earned \$1,500 for coaching volleyball the second semester.

Earnings:

Base earnings \$5,596.00

Volleyball 1,500.00

\$7,096.00

Contract Salary = $\$5,596 / 32$ full days = $\$174.88$ per day = $185 \times \$174.88 = \$32,352.80$

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher D	P	551.49	32	185	32352.80	174.88		
000-00-0000	Teacher D	2	147.83			1500			

Example 34: Multiple employment - part-time noncontractual and substitute

Teacher E worked as both a homebound teacher and substitute teacher during the same school year. He worked as a homebound teacher 3 hours per day for 25 days and was paid \$1,125. He was a substitute teacher for 35 full days and was paid \$2,800.

Homebound = $3/7.5 = .40$ employed x 25 days = 10 full days

Contract Salary = $\$1125 / 10 = 112.5$ per day x 185 = 20812.50

Substitute = 35 full days employed

Contract Salary = $\$2800/35 = 80$ per day x 185

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher E	H	110.87	10	185	20812.50	112.50		
000-00-0000	Teacher E	S	275.94	35	185	14800	80		

Example 35: Multiple employment - part-time contractual and substitute

Teacher F worked full days on Mondays, Wednesdays, and Fridays for the entire school term. The annual salary rate for her part-time contractual position was \$22,000. On Tuesdays and Thursdays, Teacher F occasionally substituted from 8:30 a.m. to 12:30 p.m. for the same district. She was paid \$700 for 14 substitute days. She worked 111 days in her part-time position; no earnings were docked.

Days Worked in Part-time position = $3/5 = .60$ x 185 = 111 days

Substitute Position = 4 hours / 7.5 hours = .5333 per day x 14 days = 7.467 equivalent full days

Contract Salary part time position = $22,000 / 111 = 198.20$ per day x 185 = 36,666.67

Contract Salary substitute position = $700/7.467 = 93.75$ per day x 185 = 17342.98

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher F	P	2168.10	111	185	36666.67	198.20		
000-00-0000	Teacher F	S	69.98	7.47	185	17342.98	93.75		

SUMMER SCHOOL

As explained in Chapter 3, Annual Compensation, summer school earnings are reportable if they are part of the teacher's employment agreement.

Example 36: Summer school

Teacher G's contract for the 2001-02 school year included the 185-day school term plus 6 weeks of summer school. Teacher G's regular school term contract was extended in writing to include the summer months. Two-week summer school sessions were held in June, July, and August 2002. He earned \$25,000 during the school term and \$1,000 per week for summer school.

Report summer school earnings earned through June 30, 2002, as annual compensation on the Employer's Annual Report of Earnings form for the 2001-02 school year. Report summer school earnings in July and August 2002 with annual compensation for the 2002-03 school year.

In addition to summer school earnings in July and August 2002 during the 2002-03-school term, he earned \$28,000. He did not have summer school earnings in the summer of 2003.

2001 - 02 Employer's Annual Report of Earnings:

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher G		2463.75	185	185	25000	135.14		
000-00-0000	Teacher G	2	197.10			2000			

2002 - 03 Employer's Annual Report of Earnings:

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher G		2759.40	185	185	28000	151.35		
000-00-0000	Teacher G	2	394.20			4000			

FEDERAL FUNDS

If any portion of a member's salary is paid from federal funds that you administer, then you must pay KTRS an employer contribution equal to 12.305 percent of salary paid from special trust or federal funds. This rate will increase to 13.105 percent July 1, 2004. This includes stipends or substitute pay. (For more information on federal funds, see Chapter 4.)

Example 37: Federal funds

Teacher Z was a substitute teacher. He substituted for 10 days at \$75 per day for total earnings of \$750. Two of the 10 days were paid from the Title 2 program.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher Z	S	73.91	10	185	13875	75	18.46	150

ACCRUAL ACCOUNTING

KTRS requires earnings to be reported on an accrual basis. Accrual accounting requires the recognition of revenue in the period earned, which may not coincide with the period in which it is paid. Annual Compensation from July 1 through June 30 should be reported on each year's annual report.

Example 38: Accruals

Teacher A was full-time with a base rate and earnings of \$27,000. During April, he chaperoned a dance and was paid \$75. He turned in his time sheet on June 13 and was paid on July 15. The \$75 is reportable in the current school year ending June 30 since the \$75 was earned before June 30.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher A		2660.85	185	185	27000	145.95		
000-00-0000	Teacher A	2	7.39			75			

Example 39: Accruals

Teacher B was paid \$25,500 during the current school year. At the end of the fiscal year it was discovered that her correct salary was \$24,000 and she had been overpaid by \$1,500. The district decided to collect the overpayment by docking her next year's wages. She was paid \$24,500 (26,000 contract less \$1,500 docked) during the following year.

\$24,000 is reportable in the current school year

\$26,000 is reportable in the next school year

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher B		2365.20	185	185	24000	129.73		

Example 40: Accruals

Teacher C was paid at the incorrect step of the salary schedule during the 2002-03 school year. In 2002-03, he was paid \$27,000. However, he should have been paid \$29,000. The error was discovered and corrected during the 2003-04 school year. In 2003-04, he was paid \$37,000 (\$35,000 contract plus \$2,000 correction of error).

\$29,000 is reportable in 2002-03

\$35,000 is reportable in 2003-04

2003-04 Employer's Annual Report of Earnings:

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher C		3449.25	185	185	35000	189.19		

SICK LEAVE REPORTING

If a member receives payment for accumulated sick leave days that are also reportable to KTRS as annual compensation, no service credit will be available for the days that were compensated.

Example 41: Full-time teacher retiring with a sick leave payment

Teacher G works the full year with earnings of \$40,000 and retires July 1st. This teacher's contract is not federally funded. The teacher received a sick leave payment of \$3,450.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher G		3942.00	185	185	40000	216.22		
000-00-0000	Teacher G	8	340			3450			

RETIRED REPORTING

Effective July 1, 2002, retirees, who retiree on or before June 30, 2002, will be able to return to work in a KTRS covered position in one of these four scenarios: (1) waivers, (2) 100 day employment, (3) part-time and (4) full-time. Retirees retiring after this date may not return to work as a 100-day employee.

Example 42: Retired teacher returning on a waiver

Teacher H works a full year making \$36,000. This teacher is also employed as the baseball coach at \$5,000 and the key club sponsor at \$300. **A retiree who returns to work on waiver has no earning restrictions. Since the member is waiving his annuity, he is reported with a blank DRC.**

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher H		3547.80	185	185	36000	194.59		
000-00-0000	Teacher H	2	522.31			5300			

Example 43: Retired teacher returning to work on a 100 day contract

Teacher I returned to work full time for 100 days. This example assumes the teacher works a full school day. This teacher also worked in the Extended school program at \$2,000 and the key club sponsor at \$300. These additional duties were performed on the same calendar days as the 100 days worked.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher I	P	1917.73	100	185	36000	194.59		
000-00-0000	Teacher I	2	226.66			2300			

Since Teacher I was employed on a contractual basis; therefore, all extra duties are subject to KTRS contributions. This member would earn service credit of .54, which will be included in a second retirement account. After earning 5 years of service credit the member would be eligible for another retirement annuity.

Note: If the extra duties were not performed in the same day, the member would have exceeded his 100 days limit and be subject to repayment.

Example 44: Retired teacher returning to work on a part-time basis

Teacher J returns to work under the new KTRS law, which allows a member to work up to .70 of the normal days in the position that he is employed. Since the number of days in the position Teacher J is working is 185, the law limits Teacher J's days to 129. Teacher J can earn up to 75% of his last annual salary on a daily rate basis. Since Teacher J's last annual salary was \$50,000, his maximum daily rate is \$37,500/185 or \$202.70. Call KTRS for the daily wage threshold.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher J	R	2576.95	129	185	37500	202.70		

Teacher J's maximum allowable earnings for the school year was calculated by determining his maximum daily rate and then multiplying that amount \$202.70 by .70 of the number of days in the position occupied (185 times .69) or 129. His maximum allowable earnings for the year were then \$26,148.30. This member would also earn service credit of .69, which will be included in a second retirement account. After earning 5 years of service credit the member would be eligible for another retirement annuity.

Example 45: Retired teacher returning to work on a part-time basis with extra duties

Teacher K returns to work under the new KTRS law, which allows a member to work up to .70 of normal days (185) in a teaching position. The law limits Teacher K's days to 129. Teacher K can earn up to 75% of his last annual salary on a daily rate basis. KTRS calculated the member's DWT at \$202.70. As shown in the example above, Teacher K's maximum allowable earnings in a KTRS position is \$26,148.30.

Extra earnings for teachers are subject to KTRS contributions since Teacher K entered into a contract to teach on a part-time basis. The extra earnings are also counted toward the earnings limit. Teacher K was a key club sponsor \$300.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher K	P	2576.95	129	185	37500	202.70		
000-00-0000	Teacher K	2	29.56			300			

Since Teacher K was employed on a contractual basis, all extra duties are subject to KTRS contributions. This member would also earn service credit of .69, which will be included in a second retirement account. After earnings 5 years of service credit the member would be eligible for another retirement annuity.

In addition, since Teacher K exceeded his earnings limit by \$300, he will be required to repay KTRS \$300. This amount will be deducted from his KTRS annuity.

Example 46: Retired teacher returning to work on a full-time basis

Teacher L returns to work under the new KTRS law, which allows a member to work full-time in a KTRS covered position. Teacher L can earn up to 75% of his last annual salary on a daily rate basis. KTRS calculated the member's DWT at \$202.70.

This amount was then multiplied by 185 the maximum number of days he could work to arrive at his maximum allowable earnings of \$37,500. In addition, Teacher L has met the break-in-services rules (see chapter 10 - Post retirement matters).

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher L		3695.63	185	185	37500	202.70		

This member would also earn a year service credit, which will be included in a second retirement account. After earning 5 years of service credit the member would be eligible for another retirement annuity.

Example 47: Retired teacher returning to work on a full-time basis with extra service

Teacher M returns to work under the new KTRS law, which allows a member to work full-time in a KTRS covered position. Teacher M can earn up to 75% of his last annual salary on a daily rate basis. KTRS calculated the member's DWT at \$202.70.

This amount was then multiplied by the days worked 170 to arrive at his maximum allowable earnings of \$34,459.

This teacher was also employed in the Extended school program at \$2,000 and the key club sponsor at \$300.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher M		3395.93	170	185	37500	202.70		
000-00-0000	Teacher M	2	226.66			2300			

This member's total earnings were \$36,759, which is below his limit of \$37,500. However, since Teacher M earned \$36,759/170 or \$216.23 per day, his maximum allowable daily earnings were exceeded. **Teacher M has to repay KTRS the excess earnings of \$2,300. This amount will be taken from his KTRS annuity.** This member would also earn .92 of a year service credit, which will be included in a second retirement account. After earning 5 years of service credit the member would be eligible for another retirement annuity.

Example 48: Retired substitute with extra duties

Teacher N returned as a substitute. Teacher N substituted 56 days and also earned \$300 as the class sponsor. Teacher N earned \$100 per day as a substitute. Because the class sponsor did not require teacher certification and the member is hired, as a substitute the employer should not withhold KTRS contributions on the extra duty.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher N	S	551.88	56	185	18500	100		

Example 49: Current year retired teacher returns to work after meeting break in service rules

Teacher R retires effective November. He worked 60 days earning \$12,973.20 with contract salary of \$40,000. After meeting his 3 month break-in-service requirement, he returns to work with the same employer on a part-time basis working 4 hours per day for 50 days earning \$19.95 an hour. Teacher R can earn up to 75% of his last annual salary on a daily rate basis. KTRS calculated the member's DWT at \$162.16 per day.

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher R		1278.51	60	185	40000	216.21		
000-00-0000	Teacher R	P	393.21	26.5	185	27682	149.63		

Teacher R did not exceed the earning limits in this fiscal year.

Example 50: Retired teacher returning to work on a 100-day contract

Teacher P returned to work for 5 hours a day for 100 days. Teacher P earns \$25.95 an hour. Teacher P worked his 100 days limit which is reported on Form 30. However, the Annual Report of Earnings should be reported as follows:

SSN	Name	DRC	Contrib. Withheld	Days Worked	Contract Days	Contract Salary	Daily Dock Rate	Matching Contrib.	Matching Salary
000-00-0000	Teacher P	P	1278.69	67	185	36000	194.59		

You should note that Form 30 requires you to report 100 days (the Teacher worked more than 3.5 hours for 100 days). The Annual Report of Earnings requires you to convert days paid to equivalent full days.

Input Record Layout

POSITIONS	LENGTH	FIELD DESCRIPTION	DETAILED INFORMATION
1-5	5	District (Unit) Number-Right Justify and fill unused positions with zeroes.	The district number is to be constant in every record. If you do not know what your Teachers' Retirement System district (unit) number is, then record zeroes in this field.
6	1	Employment Type Indicator	Use this field to indicate the type of employment status. Code & Description (Leave Blank) - Full time Employment 2-6 - Extra Duties 7 - Annual and Comp Payments 8 - Sick leave payment upon retirement P - Part-time contractual H - Part-time noncontractual S - Substitute 0 or 1 - Days paid for multiple pay rates
7-15	9	Social Security Number	No comment needed
16-22	7	Retirement Contribution Record the amount in dollars and cents, omitting dollar signs, commas and periods. Right justify and fill unused positions with zeroes.	Teachers' Retirement contribution withheld during the fiscal year ending June 30. Do not create a record if the contribution equals zeroes.
23-29	7	Matching (Federal) Contributions The required employer contribution on the portion of the employer's salary which is paid from non-state (federal) funds.	The portion of the RETIREMENT CONTRIBUTION paid from non-state (primarily federal) funds requiring the employer to submit a matching contribution.
30	1	First Initial	No comment needed
31-38	8	Salary Requiring Matching Contributions	Salary member was paid from federal funds, etc.

continued . . .

Input Record Layout

POSITIONS	LENGTH	FIELD DESCRIPTION	DETAILED INFORMATION
39	1	Middle Initial Middle initial or blank.	No comment needed.
40-53	14	Last Name Left justify and fill unused positions with blanks.	No comment needed.
54-58	5	Days Paid First 3 positions for whole numbers, last 2 positions for hundredths of a day.	Days for which pay was received including sick leave, annual leave, etc. used in lieu of a workday. Days associated with final payment for annual leave, accumulated sick days, compensatory time, etc. should not be included in days paid. Fractional days shall be rounded to the nearest hundredth. Part-time employment should be prorated to equate to full days.
59-61	3	Contract Days Whole number only; right justify and fill unused positions with zeroes.	Number of days in member contract (i.e. regular teacher, probably 185; principal, probably 220; superintendent, probably 240).
62-69	8	Contract Salary Record the salary in dollars and cents, omitting dollar signs, commas and periods. Right justify and fill unused positions with zeroes.	Salary member would have received for all services in a covered position for a full year. This should be the daily rate times the number of days in the contract year. A contract year cannot be less than 185 days.
70	1	Blank (unused)	No comment needed.
71	1	Blank (unused)	No comment needed.
72-76	5	Daily Dock Rate	The value used to reduce a member's salary for each day missed without pay.
77-80	4	Blank (unused)	No comment needed.